

TRADE POLICY HIGHLIGHTS

CHINA TO PERMIT WOOD-FRAME CONSTRUCTION

China's Ministry of Construction (MOC) is expected to adopt building inspection and design codes by early next year that will permit wood-frame construction. Currently, builders and developers have to navigate through bureaucratic red tape to gain special approval to build wood-frame structures. With the new codes, builders and developers will be able to sell, rather than just lease, wood-frame homes, putting them on equal footing with builders and developers of masonry and concrete homes.

BEC AND JTC MEET IN SEATTLE

The Building Experts Committee (BEC) and the Japanese Agricultural Standards Technical Committee (JTC) met in Seattle, Washington on September 23-25, 2002. This marked the first time that these committees, comprised of representatives from government, industry, and academia from the United States, Japan, and Canada, have met in the United States. Discussions at the BEC covered a wide range of code and standards-related issues, including restrictive fire and indoor air quality regulations in Japan, and research underway in Japan relating to hybrid construction (i.e., construction using wood and reinforced concrete, etc.). The BEC meeting also included a tour of hybrid construction in the Seattle area. Discussions at the JTC focused on the JAS review process, particularly the need for more transparency in the development of Japanese standards and quality control requirements.

WTO PANEL RULES ON CANADIAN SOFTWOOD LUMBER ISSUE

On September 27, 2002, the World Trade Organization (WTO) upheld the determination by the United States that Canadian provincial sales of timber from public lands constituted a subsidy under the WTO Subsidy Agreement, but ruled against the United States on the methodology, which was used in the interim countervailing duty determination, as well as a number of related issues. The ruling on the interim determination has no effect on the 18.79 percent duty that is currently in place on most Canadian softwood lumber. Canadian softwood lumber is also subject to antidumping duties ranging from 2.18 to 12.44 percent. On a related item, on October 1, 2002, the WTO established a panel to review the U.S. final countervailing duty determination. The EU, Japan, and India requested third party status.

APHIS CONTINUES TO SCRUTINIZE SHIPMENTS OF BRAZILIAN MAHOGANY

Ten shipments (and two partial shipments) of bigleaf mahogany from Brazil are still being held pending a decision that the shipments were exported from Brazil in compliance with the Convention on International Trade in Endangered Species (CITES). Costa Rica, Bolivia, Brazil, Mexico, Peru, and Colombia have listed their populations of bigleaf mahogany on Appendix III of CITES. These countries are required to issue export permits for shipments of mahogany, certifying that the wood was legally acquired. On August 21, 2002, a D.C. District Court judge denied a motion by affected importers to release some of the shipments of mahogany being held.

ITTC TO MEET NOVEMBER 4-9, 2002 IN YOKOHAMA

The Thirty-Third Session of the International Tropical Timber Council, the governing body of the International Tropical Timber Organization, will meet November 4-9, 2002, in Yokohama, Japan. More than seventy-five countries' representatives, intergovernmental organizations, and non-governmental organizations are expected to participate in the weeklong meeting. Once again, the issue of illegal logging is expected to dominate much of the discussion. The newly established Civil Society Advisory Group will lead a panel discussion on "Succeeding in the Certified Forest Products Marketplace". Additional details, including descriptions of projects to be considered for funding, can be found at <http://www.itto.or.jp/index.html>.

FUNDING TO STRENGTHEN BC FORESTRY MARKETS

British Columbia's (BC) Premier Gordon Campbell and Minister of Forests Michael de Jong announced that over the coming year BC will spend C\$6.8 million to strengthen and diversify international markets for BC forest products. Nearly one-half of the funding, C\$3 million, will be used to establish the Market Outreach Network, to provide customers with information about BC's sustainable forest management policies and practices. C\$3.8 million is slated to go for marketing activities, and promoting market access in China, Taiwan, Korea, and India, as well as promoting coastal forest products in both emerging and existing markets. The funding announced on October 11, 2002, is part of a C\$20 million commitment that the government made for international marketing and product development.